11. Rationalise rail freight rates for coal transport.

12. Extend infrastructure status to the coal industry. Lower duties on capital goods imported for coalmines.

13. Institute an independent regulatory mechanism for the coal sector.

14. Review the royalty on coal and consider switching to an ad-valorem basis.

**Foreign investment in coal mines**

†3498. SHRIAJAY MAROO: Will the Minister of COAL be pleased to state:

(a) whether there is any proposal under consideration of Government to allow foreign companies to make hundred per cent investment in the coal mines;

(b) if so, the details of the said proposal; and

(c) the policy of Government regarding this proposal?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYAN RAO): (a) to (c) The Government has reviewed the policy on Foreign Direct Investment (FDI) and decided to increase FDI caps to 100% and permit it under the automatic route for coal and iignite mining for captive consumption by power projects, iron and steel, cement production and other eligible activities permitted as per the provisions of the Coal Mines (Nationalisation) Act, 1973.

**Modernisation of Telecom services**

3499. SHRI N.R. GOVINDARAJAR: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether in the present scenario of growing competition from the

† Original notice of the question was received in Hindi.